

CAUSE NO. D-1-GV-09-002065

STATE OF TEXAS, Plaintiff,	§	IN THE DISTRICT COURT OF
	§	
VS.	§	
	§	TRAVIS COUNTY, TEXAS
KATHIE BRYANT, dba BUENA VISTA WATER SYSTEM, Defendant.	§	
	§	250 th JUDICIAL DISTRICT

RECEIVER'S MONTHLY REPORT
BUENA VISTA WATER SYSTEM
BURNET COUNTY, TEXAS
For the Month Ending January 31, 2011

COMES NOW, JOHN M. FULTZ, duly appointed Receiver for Buena Vista Water System (the "Water System"), and files this Receiver's Monthly Report for the month ending January 31, 2011, and would show this Court the following:

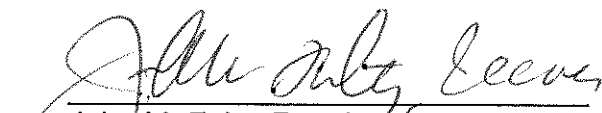
1. John M. Fultz was appointed Receiver of the Water System by Receivership Order signed by this Court on July 8, 2010 (the "Order").
2. The Water System is alleged to be owned by Kathie Bryant, individually, d/b/a Buena Vista Water System.
3. The Order authorized the Receiver to take possession and control of the Water System located in Burnet County, Texas.
4. Receiver employed Gulf Utility Service, Inc., (the "Operator"), on July 12, 2010. The Operating Agreement between the Receiver and Gulf Utility Service, Inc. is available and on file in the Receiver's office. The Operator's license and resume of Terry Taylor, President, is available and on file in the Receiver's office.
5. The Receiver operates the Water System through the Operator. The Operator has maintained the Water System, performed monthly maintenance of the Water System, filed the appropriate monthly water reports, read the meters, billed the customers, collected and deposited the funds received in payment, and prepared checks for payment of the monthly bills and returned the same to the Receiver.
6. The Receiver reviewed the Operator's Buena Vista Water System's Systems Totals Report, Profit & Loss Report, Balance Sheet and A/P Aging Detail for January 2010, copies of which are attached.

7. During the month of January, the Receiver continued to maintain communication via email and telephone with Michael Wortham, President of the Buena Vista Property Owners Association.
8. Terry Taylor of Gulf Utility Service, Inc., made personal visits to the water plant and facilities to oversee employees and operations.
9. The Receiver confirmed through the Operator that the plant at the Water System was running well.
10. The Receiver took the following actions during the month of January 2011:
 - a. On January 3, 2011, the Receiver reviewed two quotes provided to the Operator to install the communication device between the water plant and the water tanks in the Water System. The Receiver and the Operator will implement the changes in the near future.
 - b. The January 5, 2011, the Receiver and the Operator reviewed the estimates of the initial cost analysis submitted on December 20, 2010, to Terry Webb, TCEQ Receivership Coordinator, for review and consideration. The Receiver is reevaluating the expenses, consulting with the Operator and will resubmit the figures to TCEQ before proceeding to request approval of a temporary rate increase for the customers in the Water System for the proposed temporary rate increase.
 - c. On January 11, 2011, the Receiver followed up with Jennifer Frithiof, Accounts Manager with Texas Department of Health Services "DSHS", requesting that Analysis Reports be provided to the Receiver in accordance with the October 21, 2010, agreement between the Receiver and DSHS for repayment of delinquent fees incurred by the owner of the Water System prior to the appointment of the Receiver. The DSHS will release the Analysis Reports monthly upon special request by Receiver until the entire delinquent balance is paid in full.
 - d. On January 12, 2011, the Receiver reviewed correspondence dated January 3, 2011, from TCEQ regarding the Cross-Connection Control Questionnaire. The Receiver forwarded the correspondence and questionnaire to the Operator.
 - e. On January 13, 2011, the Receiver reviewed invoices from Kathie Bryant forwarded to the Receiver for payment. The Receiver prepared correspondence to Nancy Donnelley, Kathie Bryant's bookkeeper, acknowledging receipt of the invoices. The Receiver forwarded correspondence to Keith Kebodeaux, attorney for Kathie Bryant, explaining that the Receiver would not make payment for expenses incurred prior to the inception of the receivership.

- f. On January 17, 2011, the Receiver forwarded payment in the amount of \$727.22 to Burnet County Tax Assessor for 2010 taxes on the personal property and property taxes of the Water System.
 - g. On or about January 21, 2011, the Receiver reviewed correspondence dated January 15, 2011, from TCEQ regarding the 2010 Water Loss Audit Report. The Receiver forwarded the correspondence to the Operator for action on or before March 31, 2011.
 - h. On or about January 24, 2011, the Receiver reviewed correspondence dated January 20, 2011, from TCEQ regarding the Filter Backwash Recycling Rule. The Receiver forwarded the correspondence to the Operator.
 - i. On or about January 31, 2011, the Receiver received a copy of the Class B Surface Water Treatment Operator License for Alan Burdell. The license is maintained in the file of the Receiver and the Operator.
- 11. The Receiver and the Operator have reviewed and evaluated the condition of the System and assessed the financial requirements of the Water System to provide the continuous and adequate supply of water to the customers of the Water System.
 - 12. The Receiver continues to make monthly payments on the delinquent amounts owed to the Department of State Health Service, Central Lab Services (DSHS) for lab fees incurred prior to the appointment of the Receiver. The Receiver has an agreement with DSHS to make payment in full by April 2011.
 - 13. The Receiver will continue to operate the System through the Operator.

This concludes the Receiver's Monthly Report for the month ending January 31, 2011.

Respectfully Submitted,


John M. Fultz, Receiver
P. O. Box 868
Navasota, Texas 77868
936-825-7833
936-825-2354 fax

Certificate of Service

I, John M. Fultz, Receiver, certify that a copy of the foregoing Receiver's Monthly Report for the month of January, 2011, for the Buena Vista Water System, was forwarded via email on the 16th day of March, 2011, to the following:

Mr. George Thomas "Tom" Bohl, Assistant Attorney General
Mr. Terence Webb, Receivership Coordinator
Mr. Keith Kebodeaux, Attorney for Kathy Bryant
Mr. Roger Borgelt, Attorney for the Buena Vista Property Owners Association



John M. Fultz

2/1/2011

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1/31/2011

System Totals Report

BUENA VISTA WATER SYSTEM

Water Pumped This Month	508,500	Gallons
Water Sold This Month	404,710	Gallons
Water Loss	103,790	Gallons
Water Loss (%)	20.41	%
	Amount (\$)	# Of Accounts
Total Water	5,266.75	124
Total Late Charge	46.29	6
Total Adjustments		
Total Sales Tax	52.72	124
Total Current Charges	5,365.76	124
Amount Past Due 1-30 Days	90.00	2
Amount Past Due 31-60 Days	44.51	1
Amount Past Due Over 60 Days	325.13	2
Amount Of Overpayments/Prepayments	-4,947.31	116
Total Receivables	878.09	29

Total Receipts On Account	5,327.71	114
Net Change in Deposits	0.00	0
Amount of All Deposits	150.00	3
Turned Off Accounts (Amount Owed)	0.00	2
Collection Accounts (Amount Owed)	212.57	6
Number Of Unread (Turned On) Meters		1
Average Usage For Active Meters	3,212	126
Average Water Charge For Active Meters	41.80	124

Usage Groups	Gallons	# Of Accounts	Usage	Gallons	% Of Usage	% Of Sales
Over 50,000		0		0	0.00	0.00
40,001-50,000		0		0	0.00	0.00
30,001-40,000		0		0	0.00	0.00
20,001-30,000		0		0	0.00	0.00
10,001-20,000		2		27,890	6.89	3.00
8,001-10,000		8		71,770	17.73	8.76
6,001-8,000		10		71,880	17.76	10.31
4,001-6,000		19		94,190	23.27	16.82
2,001-4,000		36		112,480	27.79	28.43
1-2,000		37		26,500	6.55	25.15
Zero Usage		14		0	0.00	7.52
Total Meters		126		404,710	100.00	100.00

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1/31/2011

System Totals Report

BUENA VISTA WATER SYSTEM

Monthly Reconciliation

Ending Receivables (Last Month)		840.04
Sales this Month	+	5,365.76
Adjustments this Month		0.00
Less Payments this Month	-	<u>5,327.71</u>
	=	878.09
Total Receivables		878.09
Ending Deposits (Last Month)		150.00
Changes this Month		<u>0.00</u>
	=	150.00
Total Memberships		150.00

Buena Vista Water System Receivership Profit & Loss Detail January 2011

Type	Date	Num	Name	Memo	Cir	Split	Amount	Balance
Ordinary Income/Expense								
Income								
Revenue								
Late Charge	1/31/2011	6				Water Revenue	29.92	29.92
General Journal							29.92	29.92
Total Late Charge								
Water Revenue								
Deposit	1/3/2011			Deposit		Compass Bank	41.03	41.03
Deposit	1/4/2011			Deposit		Compass Bank	40.28	81.31
Deposit	1/6/2011			Deposit		Compass Bank	154.24	235.55
Deposit	1/10/2011			Deposit		Compass Bank	345.72	581.27
Deposit	1/11/2011			Deposit		Compass Bank	1,326.16	1,907.43
Deposit	1/13/2011			Deposit		Compass Bank	787.11	2,694.54
Deposit	1/14/2011			Deposit		Compass Bank	530.42	3,224.96
Deposit	1/17/2011			Deposit		Compass Bank	494.87	3,719.83
Deposit	1/18/2011			Deposit		Compass Bank	160.18	3,880.01
Deposit	1/19/2011			Deposit		Compass Bank	178.77	4,058.78
Deposit	1/20/2011			Deposit		Compass Bank	113.05	4,171.83
Deposit	1/21/2011			Deposit		Compass Bank	104.80	4,276.63
Deposit	1/25/2011			Deposit		Compass Bank	214.61	4,491.24
Deposit	1/27/2011			Deposit		Compass Bank	539.09	5,030.33
Deposit	1/28/2011			Deposit		Compass Bank	160.46	5,190.79
Deposit	1/31/2011			Deposit		Compass Bank	136.92	5,327.71
General Journal		6				-SPLIT-	0.00	5,327.71
General Journal		6				Water Revenue	-5,327.71	0.00
Total Water Revenue								
							5,245.06	5,245.06
Total Revenue								
							5,274.98	5,274.98
Total Income								
Cost of Goods Sold								
Lab Fees								
Bill	1/5/2011					Accounts Pay...	314.00	314.00
Bill	1/13/2011					Accounts Pay...	15.00	329.00
Total Lab Fees								
							329.00	329.00
Management of Operations								
Bill	1/21/2011	9088	Gulf Utility Service, I...	December O...		Accounts Pay...	6,001.24	6,001.24
Total Management of Operations								
							6,001.24	6,001.24
Purchased Water								
Check	1/29/2011	ACH	Lower Colorado Riv...	ACCT # 0050...		Compass Bank	338.25	338.25
Total Purchased Water								
							338.25	338.25
Total COGS								
							6,668.49	6,668.49
Gross Profit								
							-1,393.51	-1,393.51

Buena Vista Water System Receivership
Profit & Loss Detail
January 2011

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Expense								
Bank Service Charges	1/31/2011			Service Charge		Compass Bank	36.27	36.27
Check							36.27	36.27
Total Bank Service Charges							727.22	727.22
Taxes - Property	1/17/2011	2010	Burnet County Appr...	2010 Propert..		Accounts Pay...	727.22	727.22
Bill							727.22	727.22
Total Taxes - Property							763.49	763.49
Total Expense							-2,157.00	-2,157.00
Net Ordinary Income								
Other Income/Expense								
Other Income								
Interest Income								
Deposit	1/31/2011			Interest		Compass Bank	0.38	0.38
Total Interest Income							0.38	0.38
Total Other Income							0.38	0.38
Net Other Income							0.38	0.38
Net Income							-2,156.62	-2,156.62

Buena Vista Water System Receivership
Balance Sheet Detail
As of January 31, 2011

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
ASSETS								
Current Assets								2,780.03
Checking/Savings								2,780.03
Compass Bank								2,780.03
Check	1/31/2011			Service Charge	X	Bank Service ...	-36.27	2,780.03
Deposit	1/31/2011			Interest	X	Interest Income	0.38	2,743.76
Total Compass Bank							-35.89	2,744.14
Total Checking/Savings							-35.89	2,744.14
Accounts Receivable								0.00
Total Accounts Receivable								0.00
Other Current Assets								0.00
Total Other Current Assets								0.00
Total Current Assets							-35.89	2,744.14
Fixed Assets								0.00
Accumulated Depreciation								0.00
Total Accumulated Depreciation								0.00
Furniture and Equipment								0.00
Total Furniture and Equipment								0.00
Total Fixed Assets								0.00
Other Assets								0.00
Total Other Assets								0.00
TOTAL ASSETS								2,744.14
LIABILITIES & EQUITY								2,780.03
Liabilities								47,720.44
Current Liabilities								47,620.44
Accounts Payable								44,534.25
Accounts Payable								44,534.25
Total Accounts Payable								44,534.25
Total Accounts Payable								44,534.25
Total Accounts Payable								44,534.25
Credit Cards								0.00
Total Credit Cards								0.00
Other Current Liabilities								3,086.19
Payroll Liabilities								0.00
Total Payroll Liabilities								0.00
Receivers Escrow								3,077.20
Total Receivers Escrow								3,077.20

Buena Vista Water System Receivership
Balance Sheet Detail
As of January 31, 2011

Type	Date	Num	Name	Memo	Clr	Split	Amount	Balance
Regulatory Assessment General Journal	1/31/2011	6				Water Revenue	52.73	8.99
Total Regulatory Assessment							52.73	61.72
Total Other Current Liabilities							52.73	3,138.92
Total Current Liabilities							52.73	47,673.17
Long Term Liabilities Customer Water Deposit								100.00
Total Customer Water Deposit								100.00
Total Long Term Liabilities								100.00
Total Liabilities							52.73	47,773.17
Equity Opening Balance Equity								-44,940.41
Total Opening Balance Equity								0.00
Retained Earnings								-42,872.41
Total Retained Earnings								-42,872.41
Net Income								-2,068.00
Total Net Income							-88.62	-2,156.62
Total Equity							-88.62	-45,029.03
TOTAL LIABILITIES & EQUITY							-35.89	2,744.14

**Buena Vista Water System Receivership
A/P Aging Detail
As of January 31, 2011**

Type	Date	Num	Name	Due Date	Aging	Open Balance
Current						
Bill	1/21/2011	9088	Gulf Utility Service, I...	1/31/2011		6,001.24
Total Current						6,001.24
1 - 30						
Total 1 - 30						
31 - 60						
Bill	12/1/2010	9022	Gulf Utility Service, I...	12/11/2010	51	4,310.00
Bill	12/9/2010	11/2010	John M. Fultz, Rece...	12/19/2010	43	911.40
Bill	12/9/2010	11/2050	Hancock, Debbie -R...	12/19/2010	43	250.00
Total 31 - 60						5,471.40
61 - 90						
Bill	11/1/2010	8958	Gulf Utility Service, I...	11/11/2010	81	13,905.30
Bill	11/1/2010	10/2010	Hancock, Debbie -R...	11/11/2010	81	250.00
Bill	11/1/2010	10/2010	John M. Fultz, Rece...	11/11/2010	81	911.40
Total 61 - 90						15,066.70
> 90						
Bill	7/16/2010	cen.c...	DSHS Central Lab ...	7/26/2010	189	379.00
Bill	7/16/2010	cen.c...	DSHS Central Lab ...	7/26/2010	189	314.00
Bill	9/30/2010	09/2010	John M. Fultz, Rece...	10/10/2010	113	926.10
Bill	10/1/2010	8899	Gulf Utility Service, I...	10/11/2010	112	16,375.81
Total > 90						17,994.91
TOTAL						44,534.25